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Mexico

Fresh Deciduous Fruit

Review of Compensatory Duties for Imported Apples from the U.S.

2003

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Report Highlights:

The Secretariat of Economy (SE) published on October 23, 2003, in the *Diario Oficial* (Federal Register), a resolution indicating it will initiate a review of the final compensatory duty imposed on U.S. imported apples from the Red Delicious and Golden Delicious varieties. This is effective on October 22, 2003.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

Introduction: This report summarizes two announcements published in Mexico's "*Diario Oficial*" (Federal Register) on October 21, 2003, concerning apple compensatory duties.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

FAS/Mexico's Executive Summary: The Secretariat of Economy (SE) published on October 23, 2003, in the *Diario Oficial* (Federal Register), a resolution indicating that it will initiate a review of the final compensatory duty imposed on imported U.S. Red and Golden Delicious apples. Several U.S. companies requested a review of the 46.58 percent compensatory duty imposed during August 2002. To that effect, they presented different documents to support themselves. However, since some companies are only agents to packing plants (PAC, Nuchief, Rainier Fruit, Oneonte Domex, Sage and L&M), they did not submit cost of production data and general expenses for their supplying companies. Therefore, SE determined that these companies did not have the necessary elements to determine whether or not there had been price discrimination.

The other companies (Northern Fruit, Holtzinger, Manson, Dovex, Stemitt and Chelan) did submit cost of production data and SE determined that there are enough elements to presume that apple imports from these companies were done under price margins that were different from the ones found in the ordinary investigation. Therefore, SE will begin the review of the compensatory duty for these companies. The time frame for the investigation will be from January to July 2003. There will be 28 working days counting from October 22, 2003, so that domestic producers, importers, and exporters can appear before SE to present information relevant to this resolution. The companies that will be reviewed can guarantee payment of the compensatory duty (presumably via bond) when exporting apples while this resolution is under investigation.

Additionally, the Secretariat of Economy also announced in the *Diario Oficial* a resolution to initiate procedures to accept a new exporter, Washington Export, L.L.C., which proposed June 1, 2002 to February 28, 2003, as the time frame for the investigation. There will also be 28 working days from October 22, 2003, so that domestic producers can appear before SE to manifest what is convenient. This resolution will be also in force on October 22, 2003.

Title: Resolution declaring that SE will initiate a review of the final compensatory duty imposed on U.S. imported apples from the Red Delicious and its mutations and Golden Delicious varieties. Merchandise classified under H.T.S. number 0808.10.01 from the General Import and Export Tariff Law.

Important Dates

- 1. Publication Date:** October 21, 2003
- 2. Effective Date:** October 22, 2003

Related Trade Issues: On August 12, 2002, SE, published in the *Diario Oficial* the final antidumping resolution imposing compensatory duties of 46.58 percent on imported apples of the Red Delicious and its mutations and Golden Delicious varieties originating from the U.S. on some companies. Other companies had a zero compensatory duty. (See report MX2111). This compensatory duty was in addition and independent of the NAFTA safeguard duty on apples.

Address for interested parties to appear before SE.

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Internet Connections

FAS Mexico Web Site: We are available at <http://www.fas-la.com/mexico> or visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.se.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.